GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2951
ANSWERED ON:12.08.2005
DEPOSITS OF SMALL INVESTORS
Gadakh Shri Tukaram Gangadhar

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether the Government is aware that Snowcem India Limited has accepted fixed deposits from small investors has not paid dues thereon to the investors;

(b) if so, the details thereof;

(c) the present status of the company;

(d) whether Registrar of companies, Mumbai has received complaints from the investors;

(e) if so, the details thereof and the action taken by the Government thereon; and

(f) the steps taken by the Government for the repayment of amount to small investors?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) Yes, Sir.

(b) The company has not paid dues to the fixed deposit holders including small investors. The following amount of fixed deposits are outstanding as on 31-03-2005: -

```
Fixed  Deposit  under Rule 3(2)
(i)    Rs.  5,62,15,000/-
Fixed Deposit under Rule 3(2)
(ii)     Rs.15,49,33,000/-


    Total:  Rs.21,11,48,000/-
```

(c) The company is registered with Board for Industrial and Financial Reconstruction (BIFR) under the provisions of the Sick Industrial Companies (special provisions) Act, 1985.

(d): Yes, Sir.

(e)&(f): The Company Law Board, Western Region had passed an order on 28-01-2005 under section 58A(9) of the Companies Act, 1956 based on receipt of 266 petitions from fixed deposit holders. Registrar of companies, Mumbai had received complaints from 60 depositors regarding non-payment of matured fixed deposits including complaints from 13 depositors alleging non-compliance of the directions given by the Company Law Board. Therefore, Registrar of Companies, Mumbai has issued prosecution notices to the company and its directors for initiating prosecution proceedings under section 58A(10) of the Companies Act, 1956.